

**TOWN HALL MEETING
FACT SHEET
JULY 30, 2014**

- The OCCMHA, the Macomb-Oakland Regional Center, Inc. (“MORC”) and the Community Living Services – Oakland Division (“CLS”) each agreed to a four-year service contract during June 2013.
- On October 1, 2013, the Michigan Department of Community Health (DCH) announced that it would “re-base” or “re-distribute” Medicaid dollars by rate-setting these funds evenly across the ten Michigan “Pre-paid Inpatient Health Plans” (PIHP), which in our case is the Oakland County CMHA (OCCMHA). This may be equal, but it is not equitable.
- In FY14, the OCCMHA had to cut a total of about \$14 Million dollars, which translated into about a \$9.2 million reduction relative to services for children and adults with developmental disabilities. To its credit, the OCCMHA used reserve funds to cover most of these reductions during FY14, while core service providers had to also implement significant reductions in expenditures.
- It is projected that on October 1, 2014, the OCCMHA may have to cope with yet another round of budgetary shortfalls. Depending upon the Medicaid rate-setting decisions soon to be announced for FY15, the current projections for such decreases might be an additional \$8-to-\$10 million for services on behalf of children and adults with developmental disabilities.
- Oakland County has always had the availability of plentiful and high quality mental health services. The OCCMHA has constructed a strong mental health delivery system. Along with its core providers, the OCCMHA has built up an outstanding reputation for greatness and community-based service delivery.
- Other PIHP’s have not always provided the quality, quantity or best practices produced by Oakland, Macomb and Wayne. A generation ago, these three counties took in hundreds of people from the now closed institutions who rightfully should have returned to their home counties for community-based mental health services. This historical fact should be considered in the budgetary equation.
- It is a well-known fact that direct care workers have had a total of \$1.83 in pay raises since 2002, and none since 2008. Meanwhile, inflation has risen by nearly 30% over that same time-period! Their wages are quite low. Many of these workers have two or more jobs, some receive food stamps, and reportedly some receive food from charitable organizations. The turnover rate is 50-60% or higher. These are the people we entrust with the responsibility for caring for the children and adults served by the core providers. Any cuts to direct care workers

would be devastating to the entire mental health system, whether it be in the form of wages, benefits, or training. Recently, a law was passed in Michigan increasing the minimum wage from \$7.40 to \$8.15 beginning in September 2014, and then on up to \$9.25 by 2018. Where will these additional dollars come from in the state of Michigan's mental health budget to pay for this increase?

- There has been a significant reduction in the General Fund ("GF") dollars available to the OCCMHA. These are funds to help people who do not qualify for Medicaid, but who also cannot afford to pay for important mental health care services like medications, case management, respite care, and jail diversion, to name a few. Recently, the state removed \$20 million of GF dollars from OCCMHA's budget. This decision was made with the understanding that many people who had been receiving services through the GF would now be insured under the Medicaid expansion program known as "Healthy Michigan." OCCMHA originally had \$30 million in GF, then after a \$20 million cut it only received about \$12 million in Healthy Michigan payments to make up for it, thus, leaving an \$8 million dollar gap.
- As a result of the GF cut, the OCCMHA has implemented the following:
 - "Service Wait List" – impacts consumers not on regular Medicaid, "Healthy Michigan," or on "MIChild;" basically we are talking about persons without health insurance who must pay for their mental health services out-of-pocket or go without;
 - No respite or other services for minor children without Medicaid – affects about 200 families served through MORC and CLS-Oakland; parent's income generally knocks families with a minor child out of such services, so families will have to pay out-of-pocket or go without;
 - Unlicensed camps – no longer funded beginning in FY15; only state licensed camps are allowed to receive Medicaid dollars; many families use certified, but unlicensed camps for respite services to get a break from the rigors of caring for a child/adult with special needs.
- Another major area of concern with this significant reduction of GF dollars involves a group of adults with disabilities having to pay a large "spend-down" or "deductible" prior to their Medicaid kicking in each month. GF dollars have historically been used to cover or off-set these personal "spend-down" amounts before Medicaid can be billed for a particular mental health service. Covering or off-setting the "spend-down" amount is in jeopardy and could result in no mental health service whatsoever for some fairly difficult-to-care-for people with disabling conditions. Consumers are usually in this situation because their Social Security disability benefit is higher than most and they were never on SSI benefits, which automatically qualifies them for extended Medicaid once they have to go on SSDI.